GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:1844
ANSWERED ON:05.12.2006
EXPORT ORIENTED SCHEMES
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Will the Minister of TEXTILES be pleased to state:

(a) the names of export oriented schemes launched by the Government to boost textile export after abolishing quota system;

(b) the position of India in the list of Most Favoured Nations (MFNs) of textile importing Countries;

(c) the target fixed by the Government for textiles export for the current year and achievements made so far in this regard; and

(d) the number of weavers, labourers and others associated with this trade likely to be benefited after free trade?

Answer

MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a) In the year 2005, the Government have launched the "Scheme for Integrated Textile Parks (SITP) to provide the textile industry with world-class infrastructure facilities for setting up their manufacturing units. Besides, the Government has been taking continuous measures to promote textile exports. Some of the important initiatives taken in this regard are as follows:-

i) 100% Foreign Direct Investment is allowed in the textile sector under the automatic route.

ii) The Government has de-reserved the readymade garments, hosiery and knitwear from the SSI sector.

iii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.

iv) To improve the productivity and quality of cotton, Government has launched the Technology Mission on Cotton (TMC). Incentives are provided for better farm practices, quality seeds, improvement in market infrastructure and modernization of ginning and pressing sector.

v) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition within the country. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given an option of excise exemption.

vi) The import of specified textiles and garment machinery items has been allowed at a concessional rate of customs duty to encourage investments and to make our textile products competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.

vii) Duty-free imports of 21 items of trimmings and embellishment items are allowed to the garment exporters, upto 3% of their actual export performance during the previous year.

viii) For the speedy modernisation of the textile processing sector, Government has introduced, w.e.f 20.4.2005, a credit linked capital subsidy scheme @10% under TUFS, in addition to the existing 5% interest reimbursement.

ix) The National Institute for Fashion Technology (NIFT), its seven branches, and the Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet the skilled manpower requirements of the textile industry, especially apparel, in the field of design, merchandising and marketing.

x) Facilities like eco-testing laboratories have been created to enable exporters to get garments/textiles pre-tested so that they conform to the requirements of the importing countries.

(b) As per latest available WTO trade data, in the year 2005, India's rank amongst the world's leading exporting countries was 7th in textiles and 5th in clothing.

(c) Government have fixed an export target of US$ 19730 million for the year 2006-07. According to the provisional DGCI&S data, the textile exports have amounted to US$ 7628.13 million during the period April-July, 2006.

(d) According to Industry Vision (a study by CRISIL in year 2004 commissioned by Indian Cotton Mills Federation), the Indian textiles and apparel has a potential to reach a size of US$ 85 billion by 2010, and thereby, create 12 million job opportunities, 5 million direct jobs in textile industry, and 7 million jobs in textile allied sector.